

State of Arizona  
Senate  
Forty-seventh Legislature  
Second Regular Session  
2006

## **SENATE BILL 1409**

AN ACT

AMENDING SECTIONS 48-909 AND 48-1012, ARIZONA REVISED STATUTES; RELATING TO COUNTY IMPROVEMENT DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 48-909, Arizona Revised Statutes, is amended to  
3 read:

4       48-909. Purposes for which public improvements may be  
5       undertaken: powers incidental to public improvements

6       A. When the public interest or convenience requires, the board of  
7 directors of an improvement district may order:

8       1. The whole or any portion, either in length or width, of one or more  
9 of the streets of the district graded or regraded, paved or repaved,  
10 landscaped or otherwise maintained, improved or reimproved.

11      2. The acquisition, construction, reconstruction or repair of any  
12 street, tunnel, subway, viaduct or conduit in, on, under or over which the  
13 district may have an easement or right-of-way therefor.

14      3. The construction or reconstruction of sidewalks, crosswalks, curbs,  
15 gutters, culverts, bridges, tunnels, siphons, manholes, steps, parkings and  
16 parkways.

17      4. The placement, replacement or repair of pipes, hydrants and  
18 appliances for fire protection.

19      5. The acquisition, construction, reconstruction, maintenance or  
20 repair of wastewater treatment facilities, sewers, ditches, drains, conduits,  
21 pipelines and channels for sanitary and drainage purposes, with outlets,  
22 cesspools, manholes, catch basins, flush tanks, septic tanks, connecting  
23 sewers, ditches, drains, conduits, channels and other appurtenances in,  
24 under, over or through any street or any land of the district or any  
25 right-of-way granted or obtained for such purpose, either within or without  
26 the district limits.

27      6. The acquisition, construction, reconstruction or repair of  
28 waterworks for the delivery of water for domestic purposes, and of wells,  
29 ditches, canals, channels, conduits, pipelines and siphons, together with the  
30 necessary or usual appurtenances for carrying storm water or water from  
31 irrigation ditches, watercourses, streams or springs into, through or out of  
32 such district in, under, over or through any street, or any land of the  
33 district or any right-of-way granted or obtained for such purpose, either  
34 within or without the district limits. Nothing in this section shall be  
35 construed to prohibit the board of directors of an improvement district from  
36 purchasing an existing domestic water delivery system within the district or  
37 outside the district or constructing an initial or improving an existing  
38 domestic water delivery system inside or outside the district.

39      7. The construction, reconstruction or repair of breakwater levees or  
40 walls, riverbank protection or replacement of riverbanks and supporting  
41 land. A district established for this purpose shall cooperate and coordinate  
42 its plans and activities with the county flood control district established  
43 in the county and any incorporated city or town in which the district is  
44 established.

1       8. The acquisition, construction, reconstruction or repair of lighting  
2 plants and poles, wire conduits, lamps, standards and other appliances for  
3 the purpose of lighting and beautifying streets or other public lands.

4       9. The construction, reconstruction or repair of any work incidental  
5 to or connected with any such improvement.

6       10. The acquisition, in the name of the district, by gift, purchase or  
7 otherwise and the maintenance, repair, improvement or disposal of any real or  
8 personal property necessary or convenient for district operation for a  
9 community center, park or recreational area.

10      11. Pursuant to ~~the provisions of~~ section 48-902, the board of  
11 directors of an improvement district may contract for or in any other manner  
12 provide transportation services within the district.

13      B. In addition to the powers specifically granted by or reasonably  
14 inferred from ~~the provisions of~~ this article, an improvement district through  
15 its board of directors may:

16      1. Acquire by gift, purchase, condemnation or otherwise in the name of  
17 the district and own, control, manage and dispose of any real or personal  
18 property or interest in such property necessary or convenient for the  
19 construction, operation and maintenance of any of the improvements provided  
20 for by this article.

21      2. Join with any other improvement district, any city, town,  
22 governmental agency or Indian tribe, or any agency or instrumentality of an  
23 Indian tribe, or any person in the construction, operation or maintenance of  
24 any of the improvements hereby authorized.

25      3. Join with any other improvement district or any city, town, county  
26 or Indian tribe, or any agency or instrumentality of an Indian tribe, in  
27 improving streets running upon or along the boundary of the district and levy  
28 assessments and issue bonds for the district's part of the cost of such  
29 improvements.

30      4. Sell, lease or otherwise dispose of any property of the district or  
31 interest in such property when the property is no longer required for the  
32 purposes of the district or the use of which may be permitted without  
33 interfering with the use thereof by the district.

34      5. Sell or otherwise dispose of any property or material acquired in  
35 the construction or operation of any improvements as a by-product or  
36 otherwise, and acquire rights-of-way for such disposal by condemnation or  
37 otherwise.

38      6. Accept from the state of Arizona or the federal government, or any  
39 agency, department or instrumentality of either, grants for or in aid of the  
40 construction of any of the improvements provided for by this chapter.

41      7. Notwithstanding any other law, sell improvement bonds to the  
42 federal government, or any agency, department or instrumentality of the  
43 federal government, for the construction of any of the improvements provided  
44 by this chapter.

1       8. Enter into contracts with the state of Arizona or the federal  
2 government, or any agency, department or instrumentality of either or both,  
3 for the construction or supervision of construction by the state of Arizona  
4 or the federal government, or any agency, department or instrumentality of  
5 either or both, but reserving to the district the right to assess against the  
6 property benefited by the improvement, and located within the district, that  
7 portion of the cost of the improvement which does not qualify for aid under a  
8 state or federal grant.

9       9. Operate, maintain and repair the streets within the district and  
10 any improvements made pursuant to this chapter.

11      10. Do all things incidental to the exercise of the powers granted by  
12 this article.

13      C. A county improvement district formed for the purpose of purchasing  
14 an existing or constructing a new domestic water delivery system within the  
15 district or outside the district shall have the same authority and  
16 responsibility as an incorporated city or town pursuant to ~~the provisions of~~  
17 title 45 and chapters 22 and 28 of this title.

18      D. An improvement district which proposes to provide domestic water  
19 service within the certificated area of a public service corporation serving  
20 domestic water shall provide just compensation to the public service  
21 corporation pursuant to section 9-516 for the facilities or certificated area  
22 taken. The right to compensation for a public service corporation from an  
23 improvement district shall not apply if no facilities of the public service  
24 corporation are actually acquired by the improvement district and either of  
25 the following conditions exist:

26      1. At the time the law providing for compensation became effective the  
27 certificated area for which compensation is sought is an area which was  
28 within the boundaries of an improvement district.

29      2. A certificate is issued to a public service corporation for any  
30 area which is within an improvement district at the time the certificate is  
31 issued.

32      E. IF THE COUNTY BOARD OF SUPERVISORS DETERMINES THAT THE PUBLIC  
33 INTEREST OR CONVENIENCE SO REQUIRES, AN IMPROVEMENT DISTRICT THAT IS FORMED  
34 FOR THE PURPOSES OF PROVIDING DOMESTIC WATER SERVICE PURSUANT TO ARTICLE 4 OF  
35 THIS CHAPTER MAY ALSO PROVIDE DOMESTIC WASTEWATER SERVICE.

36      Sec. 2. Section 48-1012, Arizona Revised Statutes, is amended to read:

37      48-1012. Elected board of directors; initial members;  
38                   qualifications; terms; filling vacancy; chairperson;  
39                   qualifications of electors

40      A. At the option of the board of supervisors after presentation of a  
41 petition requesting the establishment of a domestic water improvement  
42 district or a domestic wastewater improvement district, or upon the  
43 submission of a separate petition following the establishment of an  
44 improvement district as prescribed by section 48-903, and subsequent to the  
45 approval of the county board of supervisors, the district shall be governed

1 by an elected board of directors. The elected board shall consist of the  
2 number of members, not less than three, specified in the petition for  
3 establishment of the district. The first directors of such board shall be  
4 selected by the board of supervisors at the time the district is established.  
5 Members of the board of directors shall be qualified electors of the district  
6 and, after the members first appointed by the board of supervisors, shall be  
7 elected by the qualified electors of the district.

8       B. Immediately after the selection and qualification of the first  
9 directors of the board, the directors shall meet and divide themselves by lot  
10 into two classes as nearly equal in number as possible. Directors of the  
11 first class shall serve for a term of four years, and directors of the second  
12 class shall serve for a term of two years. Every director shall continue to  
13 discharge the duties of office until a successor is appointed and qualifies.  
14 Thereafter, at each regular election, one director for each expired term  
15 shall be elected and shall hold office for a term of four years, and until a  
16 successor is elected and qualifies. The dates of elections and of expiration  
17 of terms shall be specified in the petition for establishment of the  
18 district.

19       C. If a vacancy in the district board occurs due to death or  
20 disability or any other cause other than resignation, the board of directors  
21 of the district shall appoint a qualified elector of the district to fill the  
22 office for the remaining portion of that term. If there is a vacancy in the  
23 district board due to resignation, the district board shall accept the  
24 resignation and appoint a qualified elector to fill the remaining portion of  
25 that term of office. If the district board lacks a quorum for any reason for  
26 more than thirty days, the county board of supervisors may revoke the  
27 authority of the appointed or elected board of directors pursuant to section  
28 48-1016.

29       D. The board of directors shall annually elect a ~~chairman~~ CHAIRPERSON  
30 from among its members.

31       E. If only one person files or no person files a nominating petition  
32 for election to fill a position on the board of directors of the district,  
33 the county board of supervisors, by resolution, may cancel the election for  
34 that office and appoint the person who filed the nominating petition to fill  
35 that position. If no person files a nominating petition for an election to  
36 fill a district board office, the county board of supervisors, by resolution,  
37 may cancel the election for those offices and those offices are deemed vacant  
38 and shall be filled as otherwise provided by law. A person who is appointed  
39 pursuant to this section is fully vested with the powers and duties of the  
40 office as if elected to that office.

1       F. For the purposes of EITHER a domestic water improvement district OR  
2 A DOMESTIC WASTEWATER IMPROVEMENT DISTRICT that is organized pursuant to this  
3 article and that ~~has~~ SERVES AT THE TIME OF ORGANIZATION a population of ten  
4 thousand persons or less according to the most recent United States decennial  
5 census, in addition to any other qualified elector of the district, any  
6 natural person who is a qualified elector of this state and who is a real  
7 property owner within the district is eligible to vote in a district election  
8 without regard to that person's residency AND SHALL BE DEEMED A QUALIFIED  
9 ELECTOR OF THE DISTRICT FOR PURPOSES OF SERVICE ON THE BOARD OF DIRECTORS.